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ABSTRACT

THe confusing and often contradictory literature on organizational effectiveness is reviewed briefly, followed by a discussion of the leading models of effectiveness, their relative applicability to colleges and universities, questions for guiding the design of a specific study of organizational effectiveness, and guidelines for effective administrative action that have surfaced in the research on organizational effectiveness in higher education. The several models of organizational effectiveness compared include: the goal model, the system resource model, the internal process model, the strategic constituencies model, the competing values model, the legitimacy model, and the model of ineffectiveness. Questions are identified that force investigators to make decisions about the key sources of controversy regarding organizational effectiveness studies and to help channel debate into more productive avenues. These questions deal with the perspective from which effectiveness is judged, the domain of activity being considered, the level of analysis being used, the purpose of the assessment, time frame, type of data gathered, and the referent used to make judgments. In addition, characteristics of effective administrators are detailed. They include such things as sensitivity to how decisions are made, establishing a "risk neutral" culture, nurturing critical support groups, acting responsibly, increasing communication, and maintaining an organizational image. (LB)

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Characteristics of Effective Organizations

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Few topics in the organizational sciences have generated as much controversy as organizational effectiveness. In the past two decades, at least eight books have been produced on the subject (Cameron & Whetten, 1983; Ghorpade, 1970; Goodman & Pennings, 1977; Mott, 1972; Price, 1968; Spray, 1976; Steers, 1977; Zammuto, 1982). Without exception, each begins by pointing out the conceptual disarray and methodological ambiguity surrounding this construct. In addition, several hundred articles and book chapters have been written in that period (see Cameron, 1982a, for a review), and almost all acknowledge that little agreement exists regarding what organizational effectiveness means or how properly to assess it. Unfortunately, this plethora of writing and research has failed to produce a meaningful definition of organizational effectiveness, let alone a theory of effectiveness. The writing has been fragmented, noncumulative, and frequently downright confusing. Some writers have become so discouraged by the literature on effectiveness that they have advocated abandoning the construct altogether in scholarly activity (Hannan & Freeman, 1977). Goodman (1979a), for example, has asserted that "there should be a moratorium on all studies of organizational effectiveness, books on organizational effectiveness, and chapters on organizational effectiveness [p. 4]."

Despite its chaotic conceptual condition, however, organizational effectiveness is not likely to go away, and Goodman's advice will probably go unheeded. There are theoretical, empirical, and practical reasons why. Theoretically, the construct of organizational effectiveness lies at the very center of all organizational models. That is, all conceptualizations of the nature of organizations have embedded in them notions of the nature

of effective organizations, and the differences that exist between effective and ineffective organizations. For example, contingency theories emphasize the match between organization and some aspect of their external environments (Child, 1974, 1975; Galbraith, 1977; Lawrence & Lorsch, 1969). An appropriate match is assumed to be effective while an inappropriate match represents ineffectiveness. Theories of organizations are grounded in notions of effective designs, strategies, reward systems, leadership styles, and so on, and these are among the factors that form the basis of criteria of organizational effectiveness.

Empirically, the construct of organizational effectiveness is not likely to go away because it is the ultimate dependent variable in organizational research. Evidence for effectiveness is required in most investigations of organizational phenomena. The need to demonstrate that one structure, reward system, leadership style, information system, or whatever, is <u>better</u> in some way than another makes the notion of effectiveness a central empirical issue. Often, terms are substituted for effectiveness such as performance, success, ability, efficiency, improvement, productivity, or accountability, but some measure of effectiveness is usually what is required. (Moreover, the terms being substituted for effectiveness are seldom any more precisely defined than is effectiveness.)

Practically, organizational effectiveness is not likely to go away because individuals are continually faced with the need to make judgments about the effectiveness of organizations. For example, which public school to close, which firm to award a contract to, which company's stock to purchase, or which college to attend are all decisions that depend at least partly on judgments of organizational effectiveness. Whereas the criteria

upon which those decisions are made often are difficult to identify, and whereas considerations other than effectiveness are always relevant (e.g., political and social consequences), individuals nevertheless engage regularly in personal evaluations of organizational effectiveness.

What, then, can be extrapolated from this massive, confusing, and often contradictory literature on organizational effectiveness that will be of value to administrators in higher education? This paper will focus on three elements. First, we will briefly review the leading models of effectiveness and discuss their relative applicability to colleges and universities. Second, we will outline a series of questions for guiding the design of a specific study of organizational effectiveness. Finally, we will describe several guidelines for effective administrative action that have surfaced in the research on organizational effectiveness in higher education.

Models of Organizational Effectiveness

Several different models of organizational effectiveness have been proposed during the past three decades, as shown in Figure 1.

The goal model has received wider attention than any other approach to effectiveness, and more writers have argued that it represents the universal model of effectiveness (see Bluedorn, 1980; Campbell, 1977; Scott, 1977). Its usefulness is limited, however, by its reliance on measurable, time-bound goals. Because many organizations cannnot be characterized by such goals, analysts should select this model only when it is clear what the end result should be, when it should occur, and who says so.

INSERT FIGURE 1 ABOUT HERE

The system resource model was developed in the early 1960s in reaction to what was perceived as an over-reliance on goals (see Georgopolous & Tannenbaum, 1957; and Yuchtman & Seashore, 1967). This model emphasizes the interchange between the organization and its environment, whereas the goal model largely considers organizational goals irrespective of environmental context. Particular attention is given in the system resource model to the acquisition of needed resources. This model is appropriate when there is a clear connection between resources received by the organization and the primary task of the organization. An organization that simply gathers resources and stores them, for example, or that increases organizational fat by obtaining irrelevant resources would not be judged to be effective. Resource acquisition, therefore, must be clearly connected to organizational outcomes.

The internal process model emerged largely from the human resource development (HRD) and organizational development (OD) perspectives. The focus is on the interaction of individuals within the organization in terms of its participativeness, humanitarianism, absence of strain, and so forth. This model is based on a normative set of principles describing how an organization should function to provide maximum potential for human growth and development (see Likert, 1967; and Argyris, 1962 for examples). It is most appropriate when the organizational processes under consideration are closely associated with the primary production task of the organization (Rice, 1965). An extremely smooth, but subversive communication system in an organization, for example, would indicate good process but an absence of organizational effectiveness.

The strategic constituencies model arose in the 1970s as a result of more sophisticated analyses of the external environments of organizations

Figure 1 A Comparison Among Major Models of Organizational Effectiveness

Model	Definition	When Useful
	An organization is effective to the extent that ...	This model is the model of choice when ...
Goal Model	it accomplishes its stated goals.	goals are clear, time-bound, and measurable.
System-Resource Model	it acquires needed resources.	a clear connection exists between inputs and outputs.
Internal Process Model	it has an absence of internal strain, with smooth internal functioning	a clear connection exists between organizational processes and the primary task.
Strategic-Constituencies Model	all strategic constituencies are at least minimally satisfied	constituencies have powerful influence on the organization (as in times of little organizational slack), and it must respond to demands.
Competing Values Model	the emphasis of the organization in four major areas matches constituent preferences.	the organization is unclear about its own emphases, or changes in criteria over time are of interest.
Legitimacy Model	it survives as a result of engaging in legitimate activities.	the survival or decline and demise among organizations must be assessed.
Ineffectiveness Model	there is an absence of characteristics of ineffectiveness.	criteria of effectiveness are unclear, or strategies for organizational improvement are needed.

Several different versions of this model have been introduced (Connelly, Conlon, & Deutsch, 1980; Keeley, 1978; Miles, 1980; Pennings and Goodman, 1977; Zammuto, 1982), but each places the satisfaction of the demands of various constituencies of the organization as the primary concern. This model is most appropriate when constituencies have powerful influence on what the organization does or when an organization's actions are largely reactive to strategic constituency demands. The mission or the domain of some organizations is mandated by external special interest groups; by contrast, other organizations are more proactive and autonomous in their activities. Similarly, some organizations exist in an environment where certain constituencies clearly are more powerful than others, whereas other organizations have no clear powerful constituency. In the former, the strategic-constituencies model would be a useful approach. In the latter, the model would not be as appropriate.

The competing values model is based on the notion that individuals who judge organizational effectiveness do so by making trade-offs on two general value dimensions. These dimensions are assumed to represent core values that are at the center of human judgment. One is a trade-off between flexibility (freedom, fluidity) and control (constraint, determinism). The other is a trade-off between emphasizing people concerns over organizational concerns, or vice versa. Making those trade-offs in judging effectiveness results in four major emphases on criteria of effectiveness. Organizations have been found to differ substantially on which criteria they emphasize (see Quinn & Rohrbaugh, 1981, 1982, for a more complete explanation). Because of its emphasis on trade-offs in criteria and the shifts that occur in organizations' profiles, this model is most appropriate when determining what changes occur in relevant criteria of effectiveness over time, and when

there is a need to help the organization itself understand its major areas of emphasis.

The recently introduced legitimacy model is frequently associated with the population ecology perspective in that organizational survival is the ultimate aim. Organizations strive for legitimacy with the external public in order to enhance their longevity and to avoid being selected out of the environment (i.e., demise). Since doing the right thing is far more important than doing things right in this perspective, the model is most appropriate on macro levels of analysis when determining which organizations survive and which decline or die.

The model of ineffectiveness focuses on the faults and problems in an organization rather than indicators of excellence or success. It defines organizations to be effective if they rid themselves of faults and indicators of ineffectiveness. The model was introduced in Cameron (1984) and is most appropriate when criteria of excellence either cannot be identified or cannot be agreed upon, and when there is a need to systematically develop strategies for overcoming organizational problems and weaknesses. A major advantage of this model is that it provides managers with practical guidelines for organizational diagnosis and improvement.

It is evident from this review of seven competing models of organizational effectiveness that there is no consensus in the field regarding the definition or operationalization of this concept. We have argued elsewhere that this is to be expected because there is no single, integrative theory of organizations in our field and one's preferred definition of effectiveness is derived from one's general theory of organization (Cameron and Whetten, 1983). This is not, to say, however, that these models do not have utility as guides for administrators of

institutions of higher education. While some of the models are more directly applicable to educational organizations, all provide some specific suggestions for effective action. For example, the goal model is not generally applicable in higher education for assessing the institution as a unit because goals do not direct action on that level of analysis. For the most part, goals of the overall college or university are merely rhetorical statements with no measurable or quantifiable component. Cohen and March (1974) asserted:

> Almost any educated person could deliver a lecture entitled "The Goals of the University." Almost no one would listen to the lecture voluntarily. For the most part, such lectures and their companion essays are well-intentioned exercises in social rhetoric with little operational content. Efforts to generate normative statements of the goals of the university tend to produce goals that are either meaningless or dubious.

On the other hand, the goal model of effectiveness may be very useful to administrators as they evaluate program accomplishments or subunit activities on a level of analysis lower than the overall institutional level. One new university in the Northwest, for example, recently established goals that helped identify benchmarks for the early development of the institution. Administrators established goals for when a certain enrollment level would be reached, when particular curricula components would be in place, when certain personnel would be hired, when particular funding and endowment levels would be reached, and so on. In every case, these goals were associated with activities of individuals or groups, and a specific time for accountability was identified. The goal model of effectiveness is particularly useful under these conditions for determining the degree to which the benchmarks are achieved and for making projections of future accomplishments. Overall institutional effectiveness is not

assessed under these conditions, but the effectiveness of task accomplishment can be assessed in a relatively precise manner.

Like the goal model, the system resource model also is not universally applicable for assessing the effectiveness of colleges and universities. Bowen (1980) pointed out that little relationship exists between an institution's inputs and generally valued outcomes, and without such a connection between the resources acquired by a college or university and its outcomes, the system resource model is not appropriate in higher education.

> Most evaluation of institutions is conducted in terms of such variables as faculty-student ratios, proportion of Ph.D.'s in the faculty, size of enrollment, current expenditures per student, College Board scores, number of library books, range of facilities and equipment, value of physical plant, extracurricular programs, and so on. These are all inputs and it is by no means established that there is any systematic positive correlation between these inputs and the true outcomes defined in terms of the personal development of students in either cognitive or affective realms (Bowen, 1980, p. 170).

On the other hand, institutions must be concerned with financial viability and the acquisition of resources. A large number of institutions have met the challenges of enrollment and revenue declines of the eighties by initiating endowment and development campaigns presumably to improve their long-term viability and effectiveness. The reputation of institutions is closely tied to the visibility and perceived quality of the faculty (Conference Board, 1982), so resource acquisition activities such as attracting high quality faculty members cannot be ignored. Financial health indicators (Collier & Patrick, 1978; Dickmeyer, 1980) have been found to be predictive of institutional survival, and Cameron's (1984) research shows high correlations between effectiveness in nine areas of college performance and five indicators of financial health. Therefore, the system resource

model is useful to evaluators interested in monitoring factors such as resource levels in the institution, financial health, efficiency ratios, and relative competitive advantage in the marketplace. No generalizations can be made about the overall effectiveness of the institution from these assessments, but they can serve administrators well with the kinds of data they provide.

The internal processes model is sometimes used to assess changes in campus climate that are associated with the formation of a union, the resignation of a president, or other traumatic events in colleges and universities. Some have argued, for example, that collegial relationships within a college erode as a result of unionization or a change in president from a participative to a bureaucratic style (Cameron, 1982; Chaffee, 1983). The internal process model has been useful in investigating the effects of such phenomena. Similarly, the model has been used to examine factors such as the impacts of teaching techniques, course requirements, or grading policies on student career success. That is, the use of the model has also focused on the internal teaching processes and policies of the institution. Well-known instruments such as the College and University Environment Scales (Pace, 1963) and the Institutional Functioning Inventory (ETS, 1968) are examples of surveys that focus mostly on institutional processes.

As with the other models, the internal processes model is not universally applicable in higher education because there is not a clear connection between the internal workings of an institution and subsequent outcomes. For example:

> ...the things commonly believed by faculty to promote learning have not been shown to have any significant impact on student learning and attitudes...teaching methods, class size, televized or traditional instruction, team and ordinary teaching, types of

> facilities, etc., (make) no significant difference in effects on student learning and attitudes.... Most evaluators know this; most faculty members simply do not believe it (Dressel, 1970, p. 9).

Consequently, the internal processes model can prove useful for assessing certain aspects of institutional functioning, but it does not give an overview of the effectiveness of the institution as a unit since factors such as external constituency concerns, resource acquisition, and desired outcomes are not taken into account.

The strategic constituencies model is most often applied to colleges and universities in the context of peer review and scholarly contribution. It is a useful model for assessing the reputation of a department or a program in terms of its scholarly contributions and visibility, and most reputational rankings ostensibly rely on a form of the strategic constituencies model. Professional peers are the most relevant external constituency in these assessments since they alone are capable of determining the extent to which a department has met the standards established by the professional discipline.

On the other hand, it is not generally possible to apply the strategic constituencies model to the entire institution as a unit since the criteria for scholarly success are focused at the department or program level. Constituency standards relative to scholarly contribution clearly apply to departments and not institutions. In addition, most institutions of higher education are characterized by loose coupling and semiautonomous subunits. Coleman (1981) suggested:

> It is generally agreed that institutions of higher learning are best understood as collections of fundamentally autonomous units rather than in terms of central authority, or conception of the whole, to which they are subordinate.

This structural arrangement is designed to buffer the institution from environmental encroachment and to make it possible to ignore external constituencies (Weick, 1976; Bennis, 1966). Therefore, because many institutions can ignore the demands of strategic constituencies and still survive quite well, the strategic constituencies model of effectiveness is not universally applicable when the institution is the unit of analysis.

The competing values model has been used in empirical analyses only to investigate the U.S. Employment Service (Rohrbaugh, 1981), but it can be a useful model when assessing colleges and universities as well. It is particularly applicable at the overall institutional level to trace major emphases or changes in emphases over time. This model relies on generalized criteria of performance which are intended to apply to all types of organizations. The result is a rather generalized profile of an institution's emphases on criteria that are consistent with four models of effectiveness (human relations, internal processes, goal, open system models). Research by Cameron and Whetten (1981) and by Quinn and Cameron (1983) indicates that as organizations develop over time, the main criteria of effectiveness that are pursued by members of the organization shift, and the competing values model can trace those general shifts.

The disadvantage of this model in higher education is that it is so generalized that it does not provide information on many aspects of college and university effectiveness that administrators require. "Stability" and "productivity" are examples of the criteria assessed, as opposed to student development of faculty quality that may be more relevant to the unique nature of a college or university. In addition, no conclusion is drawn by the competing values model regarding how effective an institution is

performing. Rather emphases are merely described, and the institution's members determine to what extent the profile of emphases is acceptable.

The legitimacy model is similar to the strategic constituencies model in that the perspectives of external interest groups form the basis for judgment about effectiveness. This model, however, is most applicable to a population level of analysis whereas the strategic constituencies model is focused more on the subunit or institution level. For example, in studies such as Birnbaum's Maintaining Diversity in Higher Education (1983) or Zammuto's analysis of enrollment declines in various types of institutions in the U.S. (1983), where the overall population of colleges and universities is of concern, the legitimacy model can be informative. It indicates the extent to which certain types of institutions are surviving over time, and the extent to which the external environment provides particular types of institutions (e.g., liberal arts colleges) with legitimacy. Assessment of institutional legitimacy within an environmental niche is the primary aim of this model, and for institutions of higher education faced with declining enrollments and revenues, this assessment may be informative.

The limitation of the legitimacy model in evaluating effectiveness in colleges and universities is that the performance of a single institution is not considered, nor are the internal proceses and outcomes of a single school. Focus on context (external legitimacy) replaces focus on content (internal processes), so the results of such evaluations are less likely to be useful to campus administrators. System level policy can be informed by such assessments, but campus governance is less likely to be affected. Moreover, individual institutions can often survive quite well even when external legitimacy concerns are ignored. For example:

> The university, like the family and the church, is one of the most poorly integrated of institutions, and again and again it has been obstinately resistant to changes which were clearly demanded by changing conditions around it (Stone, 1975).

Colleges and universities almost always outlive the groups who provide them legitimacy.

The ineffectiveness model has a different purpose than the other models mentioned above. It emphasizes identifying and overcoming the faults or problems of an institution rather than identifying its competencies. It is particularly useful in institutions fraught with difficulties, or in institutions wanting to improve by overcoming weaknesses. One institution in the West, for example, was faced with a 40 percent enrollment decline over the past decade, severe union-management legal battles, and a studentbody president's letter to parents asking that they not send their children to the institution. The major question requiring investigation was not, "How effective are we?," but rather, "What are our major problems; how ineffective are we and in what areas?" The ineffectiveness model (which relies on techniques such as Fault Tree Analysis and Organizational Diagnosis) is appropriate under such conditions, and can be used to increase effectiveness by identifying and helping to overcome areas of ineffectiveness. Other advantages can also accrue from use of the ineffectiveness model. For example:

> One of the most obvious advantages of this approach to organizational effectiveness is that it is easier to generate and to agree on faults, problems, and weaknesses in organizations than on strengths or successes. Particularly in [institutions of higher education] where goals are difficult to identify and where there are various preferences among constituencies regarding what the organization should be pursuing, agreement about what the organization should <u>avoid</u> is much more easily specified (Cameron, 1984, p. 271).

One disadvantage of the ineffectiveness model in colleges and universities, however, is that it focuses on negative attributes instead of positive attributes. The addage in business that managers should sink extra resources into areas of strength and eliminate areas of weakness, rather than to risk bleeding the strong areas by reallocating resources mainly to weak areas, is violated in this model. The focus is clearly away from an emphasis on strengths. Moreover, few institutions would want to be known as the school with the fewest weaknesses instead of the school with the greatest number of strengths. Therefore, the use of this model is best when the problems and weaknesses are so pronounced that attention must be given to them and when it is difficult to identify or agree on areas of strength.

Guidelines for Assessing Organizational Effectiveness

While general guidelines associated with the circumstances under which each of the models is most applicable may aid administrators, they provide minimal guidance for individuals charged with the responsibility of conducting a detailed, systematic assessment of the effectiveness of an institution, or one of its components. As aids for designing this type of evaluation study we recommend the following seven guiding questions, summarized in Figure 2. The value of these questions is that they force investigators to explicitly make decisions about the key sources of controversy regarding organizational effectiveness studies. The design of an evaluation study is bound to generate acrimonious debate. The use of these questions will not necessarily eliminate that debate, only channel it into more productive avenues. Specifically, it deflects energy away from arguments over which is "the best approach to measuring effectiveness" by focusing on issues regarding the intent and meaning of a given asessment project. Agreement on the specific design of an evaluation is essential to

its success, while agreement on the theory of effectiveness, in the abstract, is largely superfluous.

INSERT FIGURE 2 ABOUT HERE

Guide 1: From Whose Perspective is Effectiveness Being Judged?

Effectiveness must be defined and assessed from someone's viewpoint, and it is important that the viewpoint be made explicit. The strategic constituencies model described earlier suggests that one reason there are no best criteria for effectiveness is because there is no best constituency to define effectiveness. The criteria used by different constituencies to define effectiveness often differ markedly, and spirited debates about which constituency's criteria are most valuable continue in the literature. Some have advocated using a dominant coalition as the source of criteria (Cameron, 1978), others have argued for top managers (Scott, 1977), external resource providers (Miles, 1980), organizational members (Van de Ven & Ferry, 1980), and so on. No agreed upon decision rule is available to identify one constituency's criteria because it partly depends on the other decision guides (to be discussed) and partly on the personal biases of the evaluator. Nevertheless, organizations never satisfy all their constituencies, and what appears to be high effectiveness from one point of view may be interpreted as being mediocre or low effectiveness from another point of view. The specific point of being accepted, therefore, must be made explicit.

Figure 2

Critical Guidelines in Assessing
Organizational Effectiveness

1. Which constituency's perspective is being considered?	Major funders may value different criteria than administrators.
2. What domain of activity is being considered?	Criteria differ when internal activities are assessed versus external activities.
3. What level of analysis is being used?	The effectiveness of the faculty is not the same as the effectiveness of the institutions.
4. What is the purpose of the assessment?	A purpose of identifying organization strengths may produce different data than a purpose of finding places to cut the budget.
5. What time frame is being employed?	Short-term versus long-term criteria may be contradictory.
6. What type of data are to be gathered?	The perceptions of organization members may differ from certain factual or statistical information.
7. What referent is used to make judgements?	There are at least five referents against which to judge effectiveness: comparative normative goal centered improvement traits

Guide 2: On What Domain of Activity is the Judgment Focused?

Organizational domains are circumscribed by the constituencies served, the technologies employed, and the services or outputs produced (Meyer, 1975). Domains arise from the activities or primary tasks that are emphasized in the organization, from the competencies of the organization, and from the demands placed upon the organization by external forces (Cameron, 1981; Miles, 1980). A variety of domains can be identified for almost all organizations, but no organization is maximally effective in all its domains. In a study of the domains in which colleges and universities are effective, for example, no institution was highly effective in more than two of the four major domains identified (Cameron, 1981). Quinn and Cameron (1982) found, in fact, that achieving effectiveness in one domain in a public service agency mitigated against achieving effectiveness in another domain. In another study of production organizations, Cameron and Whetten (1981) observed that the major domains of activity changed over organizational life cycles, and that to have assessed effectiveness in the wrong domain would have been misleading. When analyzing organizational effectiveness, therefore, it is important that the domain(s) being assessed are clearly specified. Not being clear about the differences in the effectiveness of organizational domains may lead to confusing or contradictory research results, as well as to inaccurate judgments of effectiveness.

Guide 3: What Level of Analysis is Being Used?

Judgments of effectiveness can be made at the individual level of analysis (e.g., Is the human dignity of the individual being preserved?), at the subunit level (e.g., Is the work group cohesive?), at the organization level (e.g., Does the organization acquire needed resources?), at the population or industry level (e.g., Does the primary function of this population of organizations have legitimacy?), or at the societal level (e.g., What is the effect of the organization on society?). Although effectiveness on each of these different levels of analysis may be compatible, often it is not, and effectiveness on one level may mitigate against effectiveness on another level. Freeman (1980) argued that selecting the appropriate level of analysis is critical because data on effectiveness at one level are often nonsensical when viewed from another level. Without attention being paid to which level of analysis is most appropriate, meaningful effectiveness judgments cannot even be made. The appropriateness of the level depends on the constituency being used, the domain being focused on, the purpose of the evaluation, and so on. The choice, in other words, must be made in the context of other decision guides.

Guide 4: What is the Purpose for Judging Effectiveness?

The purpose(s) for judging effectiveness almost always affects the judgment itself. For example, Brewer (1983) discussed some of the purposes for evaluating differences that were enumerated by Floden and Weiner (1978). He pointed out that changing the purposes of the evaluation creates different consequences for the evaluator and for the unit being evaluated. Different data will be made available, different sources will be appropriate, different amounts of cooperation or resistance will be

encountered, and different types of assessment strategies will be required all as a result of differences in purpose (also see Argyris, 1970). (Consider the differences that would arise, for example, when evaluating effectiveness as a precursor to budget cuts versus evaluating effectiveness as a precursor to building an organizational theory.) The purposes of the evaluation also help determine appropriate constituencies, domains, levels of analysis, and so on, hence they must be clearly identified. Sometimes the evaluator can determine his or her own purposes, but frequently the purposes for judging effectiveness are prescribed a priori by the client, the participants in the evaluation, or the external environment. Whatever the case, a clear conception of purpose is important in judging effectiveness.

Guide 5: What Time Frame is Being Employed?

Selecting an appropriate time frame is important because long-term effectiveness may be incompatible with short-term effectiveness. For example, in a study of the U.S. tobacco industry, Miles and Cameron (1982) found that one company was the least effective of the six tobacco firms when short-term criteria were applied, but it jumped to second most effective when long-term criteria were applied. Another firm was the most effective firm in the short term, but it dropped to fifth in the long term. Some organizations, moreover, may sacrifice short-term effectiveness in order to obtain long-term effectiveness, or vice versa, so that not being clear about what time frame is being employed would severely handicap an assessment. Also, as noted earlier, effects and outcomes sometimes cannot be detected if the wrong time frame is selected because they may occur incrementally over a long period of time, or they may occur suddenly in the short term.

Judgments of effectiveness are always made with some time frame in mind, so it is important that the time frame be made explicit.

Guide 6: What Type of Data are Being Used for Judgments of Effectiveness?

This is a choice between using information collected by the organization itself and stored in official documents, or relying on perceptions obtained from members of various constituencies. The choice is between objective data (organizational records) or subjective, perceptual data (interviews or questionnaire responses). Objective data have the advantage of being quantifiable, potentially less biased than individual perceptions, and representative of the official organizational position. However, objective data frequently are gathered only on "official" effectiveness criteria or on criteria that are used only for public image purposes. The official focus may make the data rather narrow in scope. In addition, official data often relate to criteria of organizational effectiveness that do not have readily apparent connections to the organization's primary task (Cameron, 1978).

The advantage of subjective or perceptual data is that a broader set of criteria of effectiveness can be assessed from a wider variety of perspectives. In addition, operative criteria or theories-in-use (Argyris & Schon, 1978) can more easily be tapped. The disadvantages, however, are that bias, dishonest, or lack of information on the part of the respondents may hinder the reliability and validity of the data. The selection of data by which to judge effectiveness is important because an organization may be judged effective on the basis of subjective perceptions while objective data may indicate organizational effectiveness while constituencies may rate the organization as being ineffective (Hall & Clark, 1980).

Guide 7: What is the Referent Against Which Effectiveness is Judged?

There are a variety of referents or standards against which organizational effectiveness can be judged. For example, one alternative is to compare the performance of two different organizations against the same set of indicators (comparative judgment). The question is "Are we more effective than our competitor?" A second alternative is to select a standard or an ideal performance level (e.g., Likert's [1967] "System 4" characteristics), and then compare the organization's performance against the standard (normative judgment). Here the question is "How are we doing relative to a theoretical ideal?" A third alternative is to compare organizational performance on the indicators against the stated goals of the organization (goal-centered judgment). "Did we reach our stated goals?" A fourth alternative is to compare an organization's performance on the indicators against its own past performance on the same indicators (improvement judgment). "Have we improved over the past year?" A fifth alternative is to evaluate an organization on the basis of the static characteristics it possesses, independent of its performance on certain indicators (trait judgment). In this approach, desirable organizational characteristics are identified, and the judgment reflects the extent to which the organization possesses those characteristics. Because judgments of effectiveness can differ markedly depending on which referent is used (e.g., an organization may be effective in accomplishing its stated goals but be ineffective relative to the competition), it is important to be clear about the referent that serves as the basis for those judgments.

To reiterate, the advantage of these seven decision guides is that they help circumscribe the construct boundaries of effectiveness as well as identify explicitly the indicators of effectiveness that are being

considered. Using these guides makes it clear that the definition of effectiveness being used in an evaluation is just one of several possibilities. But it also provides a basis for comparing one definition (based on a certain set of choices about the decision guides) with other definitions.

Characteristics of Effective Administrators

While research has not yet produced a universal, unified model of effectiveness for institutions as a whole, research on this topic has shed considerable light on the characteristics of effective administrators in higher education. Close examination of the many "centers of excellence" in higher education has produced a collage of principles that seem to characterize unusually successful administrators. In this section of the paper, we shift our focus from the effectiveness of institutions to the effectiveness of administrators who are successful in enhancing or maintaining institutional effectiveness. Most of the principles we identify below have emerged from empirical research conducted by investigators in the Organizational Studies Division at NCHEMS (Cameron & Whetten, 1983; Chaffee, 1983; Krakower & Zammuto, 1983). This research effort serves as the primary source of these principles inasmuch as it is one of the only projects ever conducted to investigate the effectiveness of higher education institutions and administrators. In the past, many have characterized the field of educational administration primarily as a translation process. That is, the major activity was searching for leading-edge management theories and ideas in business administration and then translating them into an educational context. There is some indication that this trend is waning, however, with the emergence of new research on higher education. Increasingly, administrators are able to look to educational researchers as sources of new

approaches and models of organizational excellence, rather than to remain merely as consumers of knowledge adapted from other sectors.

This type of research on organizational effectiveness in higher education has generated a list of eight characteristics of effective administrators. Although we seldom found that any single administrator implemented all eight principles, we were able to build a composite picture of administrative effectiveness based on the assessments of faculty, staff, and peers at a large number of institutions These characteristics are of sufficient generality that they apply across institutional types in higher education. The informed reader will undoubtedly note that there is considerable overlap between our list of characteristics and those described recently by other investigators (e.g., Peters & Waterman, 1982; Keller, 1983). We take heart in this convergence, rather than despair at the overlap. Recalling Will Rogers' sage observation that "common sense ain't necessarily common practice," we believe that reinforcement of basic administrative principles is important, since university administrators, like their athletic teams, are most successful when they emphasize proper execution of sound fundamentals. Furthermore, our research indicates it is especially important that administrative fundamentals be explicated during this period of decline and retrenchment in higher education when many administrators are searching for new potions to cure what they perceive as novel organizational problems. What follows, then, are the eight fundamental principles of administration that have emerged from research on effectiveness.

1. Place equal emphasis on process and outcomes. Effective administrators recognize that the how of their work is just as important as the what and the why. They treat administration as a verb as much as a

noun. They are as concerned about the process of implementing a decision as with the content of the decision itself.

Studies of effective administrators have consistently highlighted their preference for action (Peters & Waterman, 1982; Mintzberg, 1975). They are doers who take the initiative to make things happen. Our observation is related, but different in an important way. Many action oriented administrators focus primarily on putting programs together, reaching objectives, improving the bottom line, etc., and are insensitive to the manner in which they accomplish these outcomes. In other words, they tend to be mainly interested in results. This orientation is consistent with the "management by objectives" approach to administration advocated during the early 1970s by many writers on administration. They argued that effective managers were oriented primarily to outcomes, and that they should avoid the pettiness of holding subordinates accountable for doing things "by the book." What was important was whether the job got done, not how it was done. This orientation has some value, particularly as a check against stultifying supervision that discourages experimenting with new approaches to solving problems and reaching objectives. However, our research on university administrators' responses to declining resources convinced us that in many situations organizational members are more sensitive to how decisions are made than the final outcome of the decision making process. Under conditions of austerity where considerable uncertainty exists regarding job security, funding allocations, programmatic cuts, and so forth, we found effective administrators described very differently than ineffective administrators by faculty members and peers. Effective administrators were described as centralized, fair, open to different

viewpoints, equalitarian, and trustworthy, regardless of whether specific decisions benefited or harmed their own particular interests.

This description is important because we found that members of the university community tend to evaluate the quality of a retrenchment decision to a large extent on the basis of whether it conforms with their expectations of how critical academic decisions ought to be made. Frequently members who benefited from, or were only minimally harmed by, a retrenchment decision are openly critical of the process used by administrators to collect information, solicit alternative proposals, and listen to contrasting points of view. The ability of administrators to manage this dynamic is critical to effectiveness.

2. Low fear of failure—willingness to take risks. In the systems management literature a distinction is made between fail-safe and safe-fail systems (DeGreene, 1982). In the fail-safe system great precautions are taken to protect against the chance of failure, which is viewed as catastrophic. The objective of the fail-safe approach is to literally make a system failure proof. In contrast, a safe-fail system provides a supportive environment in which experimentation is encouraged and failure is not abhorent. Indeed, the system views periodic failure as evidence that its members are experimenting with highly innovative and, therefore, risky ideas.

In our studies of administrative effectiveness in higher education we have found that leaders who are more likely to institutionalize the norms of a safe-fail system don't personally over identify with the success of their organization. Leaders whose self-esteem is tightly linked with receiving credit for organizational successes become risk-aversive. They recognize that taking credit for an accomplishment that represents the aggregate

efforts of many members (and generally a good measure of luck) encourages otherr to be quick to blame them for faculty leadership when organizational failures occur. Therefore, as they learn through experience that a single failure can wipe out the personal credits accumulated from several successes, they gradually place more and more emphasis on avoiding making mistakes. In the process they adopt a conservative leadership style that significantly affects the strategic posture of their organization. They become reactors instead of initiators, and defenders instead of prospectors (Miles, Snow, Meyer & Coleman, 1978). They treat emerging crises as threats to the security of their reputation, rather than as an opportunity to capitalize on a mandate for change and to make important improvements in the organization.

The proposition that some failures or set backs are healthy for an organization is borne out in the management of decline literature (Whetten, 1980a,b; Hedberg, Nystrom & Starbuck, 1977; Argenti, 1976). One of the best predictors of organizations declaring bankruptcy (rather than recuperating) as a consequence of decline is the organization's previous experience with decline. Organizations that have enjoyed spectacular, continuous success are often so ill-prepared to deal with the consequences of a period of retrenchment that they never recover. In contrast, the organization that has continually experienced set backs and has had to struggle during every stage of its development are in the long run much more robust and resilient. So pronounced is this linkage between early success and response to subsequent failure that it has been labeled the "success breeds failure" syndrome.

At the individual administrators level, leaders who have had little opportunity to develop personal coping mechanisms for dealing with either

personal or organizational failure often find the prospects of being labeled a failure so devasting that they become immobilized when decisive action is required. In contrast, risk neutral administrators benefit from what might be described as an innoculation theory of failure. While they avoid taking excessive risks that might be viewed as irresponsible, they have a healthy respect for what can be learned from failure. They are highly introspective and oftentimes keep a record of the lessons learned from various experiences, including failures. Over time they learn how to cope with the stress associated with uncertainty, scarcity, or criticism, and how to support others undergoing similar experiences. In this manner they, in effect, develop a measure of resistence to failure and are less threatened by its prospects.

3. Nurture the support of strategic constituencies. Given the fact that universities have been described as "loosely coupled systems" (Weick, 1976) and "organized anarchies" (Cameron, 1980) it should not be surprising that our research has indicated that an important characteristic of effective educational administrators is successful coalition management. Effective presidents spend a great deal of time nurturing the support of internal and external interest groups vital to the success of the organization's goals. They delegate to others as much as possible the administrative detail required to operate the institution and devote large chunks of their personal time to cultivating political and financial support. Many of these leaders even describe their organization in coalitional terms, e.g., as a fragile amalgam of interests. Administrators most effective at this pursuit generally share at least three distinguishing characteristics: they are politically astute, pragmatic, and skillful bargainers. That is, they are sensitive to shifts in political currents

pervading the organization, they are seldom inflexibly wedded to an ideological orientation, and they are not put off by the notion that interest groups want something in return for their support.

The need to continually nurture the support of vital constituencies is most commonly overlooked during periods of organizational success. During a period of rapid growth and generous financial support, for example, it is easy to take members of the coalition for granted. Deterioration in student services may go unchecked, aggressive annual giving campaigns may lose momentum, and local support groups that have made significant sacrifices in the past for a struggling school may be overlooked. This scenario is illustrated by several small, private, religiously affiliated colleges during the early 1970s. As the college-aged population increased rapidly, many state education systems were unprepared to meet the demand. This was particularly the case in several eastern states where the community college concept was slow to develop and large state universities or elite private colleges were not accessible to a large number of high school graduates. Therefore, many of them applied to relatively unknown colleges in the Midwest and the South. The result was that the enrollments of these institutions grew dramatically, massive physical plant expansion projects were initiated, and administrators and faculty fancied that they had joined the elite group of colleges capable of consistently attracting a national studentbody. In the process, many of these colleges ignored their traditional support groups. They hired professional recruiters in the East but failed to send representatives to maintain contacts with high school counselors in neighboring communities. Furthermore, many openly disparaged their rush to national prominence. Consequently, campus leaders became increasingly reluctant to allow local church groups to use campus facilities

for religious retreats, youth camps, etc. Unfortunately, many of these colleges had their aspirations dashed within a few years as the community college network expanded nation wide and as a period of economic prosperity encouraged many marginal students to pursue full time employment instead of college. As a result, as enrollments plummeted, campus administrators were forced to take retrenchment actions such as closing new dormitories, and laying off recently hired faculty. They were forced once again to approach their old constituencies seeking desperately needed support. Many of these groups were reluctant to bail the school out of trouble, and were instead inclined to make the college suffer for its fickle allegiance. Administrators of these schools learned a painful lesson, that it is easier to sustain support than to rekindle it.

4. Don't succumb to the tyranny of "legitimate demands." Effective university administrators recognize that while it is important to nurture the support of key interest groups, there is a fine line between taking responsive action and acting responsibly. If interest groups sense that the administration of a school does not have a clear sense of purpose and the courage to advocate unpopular actions when necessary, sensing that policy is being formed in response to pressure, they will push harder and harder for self-interests. Effective administrators are able to distinguish between legitimate needs strongly advocated and strong advocation for affect.

For example, a newly appointed dean may make a particularly forceful argument to the president for a budget increase in his college, primarily to solidify his political position with the faculty. Research on bargaining has shown that negotiators who are representing constituencies tend to make stronger demands than negotiators who represent only themselves because they perceive that their constituency expects forceful advocacy (Shaw, 1976).

The effective administrator avoids the tendency of weak leaders to be whipsawed by strong interest groups. To accomplish this they rely on several specific tactics. For example, they pit competing interest groups against each other. Avoiding a cross fire between conflicting parties, they place the responsibility on the competing groups to resolve their differences and to present a single, unified proposal. Or they might capitalize on competing internal demands for resources and build their case to external funding bodies on the necessity of satisfying the needs of both parties. Above all, the effective administrator manages the conflicting demands by combining a strong commitment to core organizational policies or objectives with flexibility in implementing personal mission or agenda in order to take into account the legitimate needs and concerns of critical interest groups.

5. Leave a distinctive imprint. Whether they are described as strong independent personalities or masters at building on the ideas of others, the most effective educational administrators leave distinctive imprints on the history of their institution. In our interviews with individuals, especially in small colleges, we have been impressed with the tendency of faculty and administrators to demarcate their institution's history into presidential eras. Frequently, when we would ask a question about campus activities during a specific period of time, before the respondent could formulate an answer he or she would have to first identify who the president was at that time. Their memories were clearly indexed by presidential tenure, and their recollections of what transpired on campus during each term was strongly colored by their overall evaluation of the effectiveness of each president. Events that transpired during the term of an uninspiring, ineffective president were described in a bland, colorless

manner. In contrast, descriptions of activities during the tenure of spirited, effective presidents were conveyed using very emotional language and with a sense of institutional pride.

This experience made us aware of the need for administrators to periodically examine their actions from the point of view of a future historian. The importance of being sensitive to the global, composite impression others are forming was made very clear in an interview with the president of a major research university. In response to several probing questions covering a range of topics from strategic plans, responses to crises, personal satisfaction, and the use of time, he paused and made the following observation: "Seldom does a day go by that I don't go home at night and see myself being interviewed on television, or read the description of something I have done during the day in the local newspaper. When I think back on the collage of activities reported in the media, I might as well be the president of General Foods, or 3M. The image I am portraying is that of an efficient administrator who is concerned about budgets, lobbying to obtain more favorable government treatment, and so forth. What is missing is a clear identification with educational issues. We lament the fact that our institution is underrated by our academic colleagues and now I can see the need to take a more active personal role in identifying our university with key educational problems and challenges in our society."

In general, we have found that administrators who are most effective in leaving a distinctive imprint on their institution began their tenure with a thorough analysis of the organization's strengths and weaknesses, strategic competencies, morale of the faculty, and concerns of the students. These leaders then had the capacity to generate excitement and commitment to a

plan of action emerging from this analysis. They also demonstrated remarkable flexibility in assuming a variety of leadership roles in order to facilitate the accomplishment of communal objectives. Ineffective administrators, in contrast, generally approached their responsibilities with preconceived and somewhat rigid notions of what the university's pressing needs were and what the role of the president should be. These conceptions generally were linked to previous personal successes at other universities, an inflexible definition of personal capacities or leadership style, or an unvalidated supposition regarding others' expectation of the administrative role often based on conversations with an unrepresentative sample of the university community during the interviewing process, or second and third hand reports about the performance of the previous president.

In our discussions regarding the importance of flexible leadership behaviors adapted to situational needs, we have found the leadership model developed by Bob Quinn at SUNY-Albany very useful (Quinn, 1981). Based on previous research on the determinants of organizational effectiveness, Quinn describes leadership roles using the conjunction of two dimensions. These roles vary in terms of their emphasis on adaptiveness and tolerance versus organization and precision and an emphasis on peacefulness and serenity versus aggressiveness and assertiveness. The four quadrants shown in Figure 3, give rise to eight leadership roles that vary in terms of their emphasis on these two dimensions. For example, the mentor role in the top left-hand quadrant is a combination of an adaptive, tolerant orientation and a peaceful, serene orientation. Research using this model has shown that the most effective administrators are those who can assume a wide variety of these roles. Like an amoeba, effective administrators shift the focus of

their activities to capitalize on available opportunities, and to satisfy pressing needs and expectations. Our own work confirms this view of effective leadership. Specifically, we have found that the administrators most likely to leave a distinctive mark on their institution demonstrate this capacity for accurate assessment of situational demands confined with the ability to alter their administrative role accordingly.

INSERT FIGURE 3 ABOUT HERE

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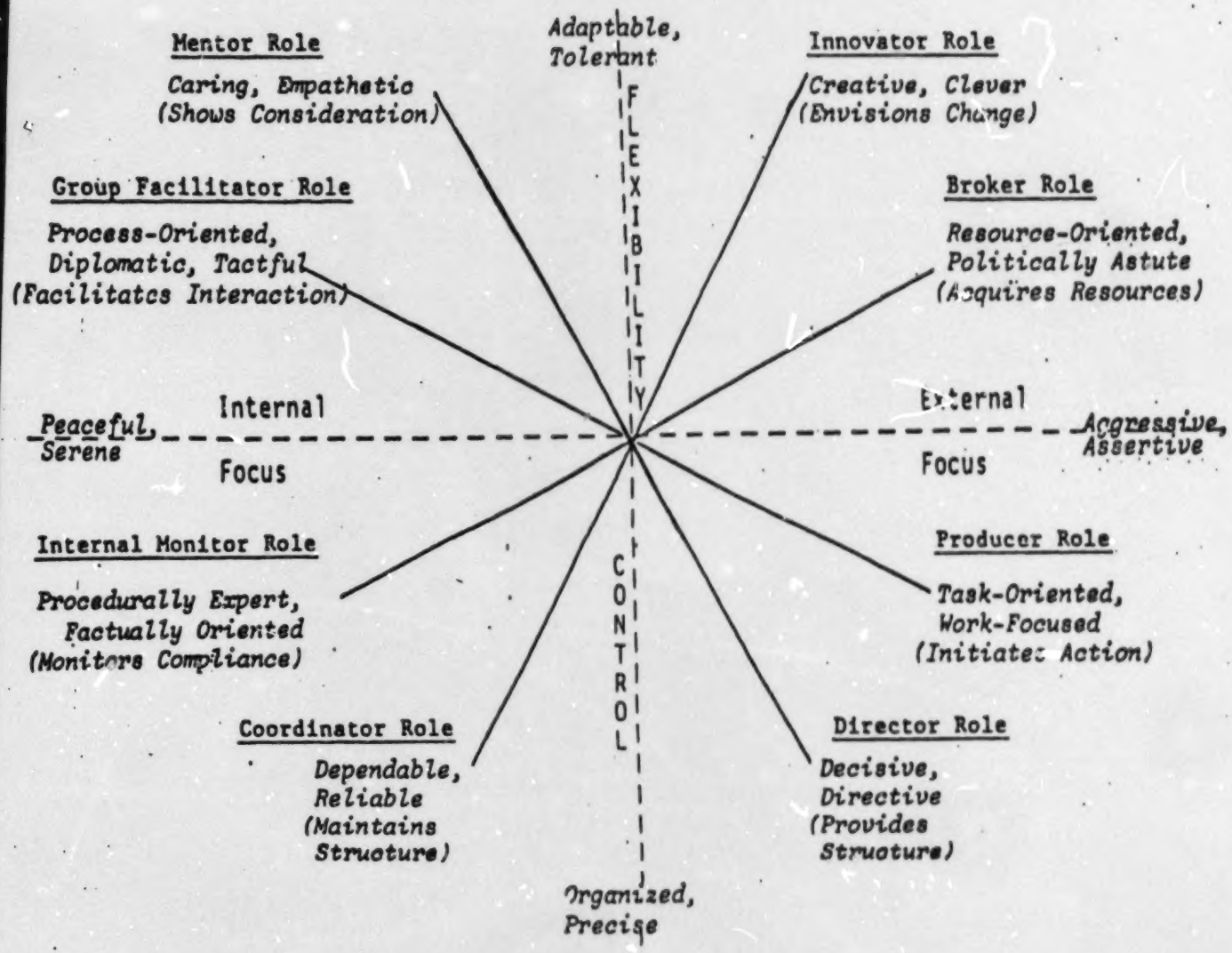
6. Error in favor of overcommunication, especially during times of flux. A basic axiom of communication theory is that information reduces uncertainty (Galbraith, 1977). The more information individuals have, the less apprehensive they are about what might happen in the future. Therefore, the more uncertainty members are experiencing because of declining enrollments, smaller state appropriations, or proposed curricular changes, the greater the need for the administration to communicate information regarding priorities, time schedules, constraints, etc. Research has shown that individuals have a significant need to make sense out of uncomfortable situations. They want to know why this experience is occurring, how long it is likely to last, and what the likely outcomes are. In the absence of adequate "official" information about these things, members generate their own based on rumors, personal suppositions, and inferences from guarded official pronouncements. Furthermore, these self-generated explanations and predictions are typically more negative (i.e., have greater personally threatening implications and contain less favorable evaluations of the ability of organizational leaders to cope with the situation), than is actually warranted. Consequently, the common

Figure 3

Leadership Roles



practice of not sharing information regarding the details of a change because administrators fear it might damage morale oftentimes produces the opposite result.

Our research has shown that effective administrators are able to work around an apparent contradiction in faculty attitudes about governance. On the one hand, most faculty members abhor committee meetings. When asked to serve on a policy task force or a planning committee they are quick to point out how this activity will adversely effect their performance in the really important professional activities of research and teaching. Furthermore, many such declinations contain overtones that administrators are abbrogating their duties and responsibilities under the guise of getting faculty input. On the other hand, during periods of high stress on campus (due to declining enrollments or underfunding from external sources, for example) the same faculty members will often criticize the campus administration for being secretive and imperialistic in their decision making activities. While these sentiments appear contradictory on the surface, they are actually a reasonable statement of a consistent set of preferences. By and large most faculty members want to be kept informed and feel that they can have input on important decisions, but they view most committee assignments as an inefficient use of their time because only a small percentage of most issues discussed are germaine to their interests. Therefore, it is important that effective administrators not confuse lack of faculty enthusiasm for being involved in the detailed minutia of making decisions- even critical ones, and their desires to be kept informed and feel influential. As one member of a prestigious faculty stated, "We don't like being surprised by administrative decisions, or presented with a fait acompli. What is really needed is more interactive communication between the faculty and the

administration before, during, and after major decisions. This is especially critical during periods of change when there is a natural tendency for misunderstandings and rumors to break down that vital element of trust and mutual respect between the faculty and the administration."

7. Respect the power of organizational cultures. Effective administrators understand and respect the indigenous campus culture. Over time, norms, values and expectations governing the administrative process crystalize at each university. These pertain to how aggressive the administration should be in pursuing new opportunities, how much initiative they should take on their own without input from the faculty, whether critical budgetary and personnel decisions are handled at the campus, college or department levels of administration, and so forth. Effective administrators recognize that these norms have evolved in response to local particularistic conditions and are not easily modified. Research on emergent leadership has shown that groups with strong cultures are most readily influenced by new leaders who are perceived as personifications of, rather than threats to, their shared cultural values (Hollander, 1958). This will most likely be the case when promotions come from within the ranks of organizational members. If an outsider is brought into an organization with a strong culture then that leader must win the trust and loyalty of the community by embracing their norms and values.

On the surface this principle of effective administration appears to contradict our early point regarding the need to leave a distinctive imprint on the university. The basis for reconciling these prescriptions is timing. The research on emergent leadership we referred to earlier doesn't report that members of an organization will resist all efforts to change their culture, only that they will resist threats from individuals viewed as

outsiders. If new administrators demonstrate a full awareness of, and sensitivity to, the sacred local values, then they can gradually win the trust and confidence of long time members. When this occurs recommendations for changing the traditional power structure or the strategic posture of the university will not be dismissed outright. This process follows the oriental adage: "only Chinese can change Chinese."

In summary, effective administrators are sensitive to members' strong allegiance to core cultural values and norms. However, they also don't treat these as immutable elements of the university. When they perceive that a traditional view of governance is hindering the aggressive pursuit of important new objectives they are willing to work to change the anachronistic beliefs. However, they do this after they have obtained the confidence of organizational members, and confidence is engendered by suggesting new approaches rather than directly assaulting accepted practice as bad, inferior, or unenlightened. They justify their proposed changes in terms of staying in touch with a changing environment, and keeping up with competition, rather than belittling past practice, per se.

This is an important distinction because effective administrators recognize that an organization's culture is not simply a potential source of resistance to change. Seldom has a truly excellent college or university emerged that was not driven by a unique and pervasive culture. Clark (1970) pointed out the importance of a distinctive organizational ideology in the development of elite private colleges (e.g., the Swathmore saga), and Keller (1983) has reaffirmed this linkage in his analysis of the rise to prominence of institutions like Michigan State and the University of Chicago. The importance of a distinctive culture also pervades Peters and Waterman's (1982) discussion of excellent business firms (e.g., IBM blue, The Hewlett

Packard way). Indeed, the effective manipulation of cultural symbols is at the heart of the distinction many make between managers and leaders. While managers make sure the books balance, leaders instill institutional pride and the relentless pursuit of excellence. They seize opportunities to make dramatic statements regarding important organizational priorities through the use of cultural symbols (Chaffee, 1983). For example, when the administration of a major state university was having difficulty convincing the state legislature that the quality of their institution was eroding with each year's niggardly budget, one enterprizing faculty member, noting the number of prominent state leaders attending home football games, suggested that during half time the marching band should form the outline of the graduate library and then to the accompaniment of the school song the library would begin crumbling floor by floor.

Our research has identified similarly dramatic, although somewhat more conventional uses of symbols to staunch the gradual erosion of a school. For example, the president of a small, private, liberal arts college during a period of significant decline in studentbody purchased a neighboring campus in an effort to diversify the college both geographically and in curricular offerings. This move stunned many members of the college who questioned the practicality of encumbering large debts when revenues were falling. What they underestimated was the symbolic impact of the decision. It served as the focal point for launching a drive to significantly upgrade the college. Faculty, students and alumni all became intrigued by the emerging opportunities resulting from this decision. It also instilled a sense of institutional pride that became self reinforcing. Instead of grumbling about how bad the college was people began to think, "We can't be all that bad if we are expanding to two campuses." Campus recruiters

finally had something to get animated about, faculty members worked hard to bring their performance up to the new status of the school, and alumni gave willingly to support such an enterprizing initiative. Overall, a decision that seemed irrational and impractical from a management perspective became the badly needed symbol of effective leadership for transforming an institution.

8. Preserve and highlight sources of opportunity at an institution--at any cost. As we began our research on the management of organizational decline, we believed that bright, aggressive, capable individuals were attracted to growing organizations for financial reasons. To some extent this explanation was based on research that reports the best predictor of the chief executive officer of a company is the size of the organization (rather than its profitability) (Haire, 1959). However, our experience in the field has altered that view. Our current belief is that very capable individuals are attracted to what they perceive as "centers of opportunity," and these just happen to be more commonly associated with conditions of organizational growth, rather than retrenchment. However, our research has convinced us that one of the critical ingredients of the effective management of retrenchment is preserving the belief that opportunities will continue to abound in an organization regardless of its financial condition (Whetten, 1981). Retrenching organizations that have been successful in this regard have been able to retain, and even attract, the best students and faculty. They do this by finding ways to decouple the presumed causal link between abundant resources and opportunity. While it is obviously easier to provide opportunities for members during periods of abundance, ineffective administrators are too quick to assume that scarcity necessarily must drive out opportunity. Indeed. the term retrenchment implies that the

most effective responses to scarcity are to cut back recent additions to preserve the oldest, and most traditional part of the institution. The obvious fallacy of this logic is that so-called peripheral activities may be most relevant for current environmental conditions, and what is treated as core, or central may be anachronistic- having lost its functional utility.

During periods of scarcity ineffective administrators become preoccupied with crises and constraints. They assume that crises are necessarily detrimental because they disturb the current equilibrium. Therefore, they focus on downplaying the magnitude of serious problems, as a mistaken balm for sagging faculty and student morale. They also worry a great deal about not violating emerging constraints. When members suggest new ideas to them they are quick to point out why each is no longer feasible. In contrast, effective administrators convert crises into mandates for improvement. They deflect the faculty's attention away from highly visible signs of financial erosion, such as low salaries or large class sizes, by generating enthusiasm for new opportunities. Specifically, they do everything possible to generate moral and financial support for new ideas. They preserve some organizational slack by, for example, withholding one percent of each unit's budget to form a new programs fund, and they aggressively pursue non-traditional sources of support, such as multi-university, or university/business consortia. Even when they don't have as much money as before to fund new programs they go to great lengths to reinforce initiative by expressing appreciation for the time spent to develop a proposal and admiration for the quality of the ideas.

Our discussions with faculty members indicate that their decision to stay or leave a retrenching university is influenced as much by their perceptions of the administration's reaction to the situation as the

objective impact retrenchment has on their personal work activities or financial well being. Of course, quality faculty are not going to wait around to serve as pall bearers at the funeral of a great university, but neither are they anxious to move on at the first sneeze. There is a "wait and see" period during which faculty attitudes are heavily influenced by administrative action, or lack thereof. During this time effective administrators maintain an offensive posture. They recognize that while football teams may win by emphasizing good defense, administrators don't. Hence, they use crises to illuminate organizational problems and to galvanize resolve to sustain excellence through improvement, rather than engaging in debilitating, self-defeating debates over causes of, and blame for, serious problems. They view constraints as challenges to be outwitted and they place a high premium on creative suggestions even when they run counter conventional wisdom. Staying on the offensive doesn't imply that administrators should act like naive optimists, which quickly erodes their credibility. Instead they must become astute opportunists, aggressively pursuing all leads. Kenneth Boulding (1975) has argued that this is one of the greatest challenges facing academic administrators as we shift from an era of abundance to a period of scarcity. In the past administrators have been reinforced for exhibiting characteristics of primitive gatherers, rather than hunters. With resources in abundance (literally there for the picking) administrators were able to pursue a fairly passive and short term approach to procurement (spending a few minutes to gather only what is necessary for the next meal). As the environment shifts university administrators must take on more of the characteristics of hunters, who must organize collective hunting parties, move their families in pursuit of migrating herds, store food for use during the winter when it is too cold to

hunt, willingly take great personal risks for the preservation of others, etc.

Summary and Conclusion

This paper has focused on the determinants of organizational and administrative effectiveness in higher education. We began by noting that there is no universally recognized model of organizational effectiveness in the literature, reflecting the lack of consensus in the field of organizational theory as a whole. While some have urged that we abandon the concept of effectiveness due to this lack of agreement we suggested several reasons why this is not likely to occur. Instead we focused on a detailed comparison of six different models of effectiveness, and discussed the applicability of each to higher education. By side-stepping the debate over the quest for a single model we have capitalized on the diversity of alternative perspectives to highlight several features of effective universities and colleges.

Recognizing that these models of effectiveness were too general to provide specific guidance for individuals needing to assess the effectiveness of a particular institution or unit, we then proposed seven diagnostic questions that could be used to construct a reliable scientific assessment. The advantage of these questions is that they force investigators to explicitly confront the myriad choices endemic to the evaluation process. In so doing the design of a given study will more accurately reflect the intensions of the designer, and individuals reading the report will clearly understand the parameters of the study.

We then shifted our attention from the characteristics of organizational effectiveness to the qualifications of administrative excellence. Our research on colleges and universities coping with scarce

resources highlighted eight markers of distinguished administrators. These deal with things like being sensitive to how decisions are made, establishing a risk neutral culture, attending to the care and feeding of critical support groups, the need to act responsibly more than to take responsive action, the importance of leaving a distinctive imprint on an institution, the need to increase communication as felt uncertainty increases, the wise use versus abuse of organizational culture, and the value of maintaining an organizational image as a center of opportunity irregardless of financial well being.

In 1974 a study conducted by the Stanford Research Institute identified the eight most significant threats to our society (DeGreene, 1982). Among the typical concerns about the quality of our environment, maintaining a skilled labor force, and so forth, this study identified, "the increasingly difficult task of effectively managing large complex systems." We are encouraged that despite the enormity of the challenge many institutions of higher education are being administered in a very effective manner. This arena clearly represents a bona fide source of principles governing administrative excellence.

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